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## CCP REVIVES CHANGCHUN INDUSTRY; EAST CHINA REPORTS INDUSTRIAL PROGRESS

REPORTS CHANGCHUN RECOVERY -- Hong Kong Wen-hui Pao, 26 - 27 Jul 50

The Northeast Scientific Institute suffered much damage during the KMT occupation of Changchun and many of the instruments and other facilities were lost. After the liberation, reconstruction and rehabilitation were begun. Many of the instruments and charts were recovered from among the people and the former staff of researchers was called back.

The recovery process is still progressing, but work has already been begun in the fields of organic and inorganic chemistry, biology, metallurgy, mechanics, construction, electrical machinery, and physics. There is also a testing laboratory and a geological prospecting section. There is a staff of about 1,000 persons. Some of these are former workers of the Dairen-Port Arthur Scientific Institute and the others have been assembled from all parts of the country since the liberation.

Some of the projects under study at present are in the fields of synthetic rubber, paper pulp, internal-combustion engines, cement, vacuum tubes, and photographic materials. Special attention is being paid to study of raw materials indigenous to the Northeast.

About 1,200 persons are presently employed in the Northeast Motion-Picture Studios, China's largest motion picture industry.

During the Manchuko regime, before the beginning of the Pacific war, about 6,000 industrial and commercial firms flourished in Changchun. After Pearl Harbor, the Japanese amalgamated many of the industrial plants and curtailed the commercial firms in the interests of the'r war effort. After the Soviet troops occupied Changchun, free enterprise again prevailed and the number of businesses reached 7,000. After the KMT troops took over in June 1946, business in Changchun suffered oppression and gradual dissolution, as the KMT authorities carried off even the window frames and doors of their places for fuel. The number of places in operation by the time of the liberation in late 1948 had been reduced to 10 percent of their former number.

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In the 2 months of November and December 1948 the number of businesses active in Changchun reached 8,000; by May 1949, the number reached 11,000. At present there are 13,000. The government has been actively aiding all lines of business that contribute to useful production by loans and guidance. It has been pointed out to manufacturers that their big market will be found in the agricultural populace and they have been encouraged to set up research units to study the rural population's needs and purchasing power.

PUBLICLY OPERATED ENTERPRISES PROSPER -- Hong Kong Hsing-tao Jih-pao, 29 Jul 50

Shanghai -- The statistics presented at the second plenary session of the Military and Administrative Committee of East China reveal striking progress on the part of publicly operated enterprises during the first 5 months of 1950. There are 472 public treasury units, 4 million members of cooperatives, city tax collections have reached 88.9 percent of their targets, and there has been an increase of 66 2/3 percent in the value of products of publicly operated industries.

The adjustment of relations between publicly and privately operated enterprises is considered very important to the conquering of present difficulties. To this end, public enterprises in East China have been farming out processing projects to private industry in great quantities. Textile industries have received very large orders for processing both yarn and cloth. The private steel ceived very large orders for processing both yarn and cloth. The private steel industry has received two-thirds of the orders placed by public agencies. Electrical industries have received contracts from public agencies amounting to 12 million catties of rice. The East China General Merchandise Corporation and the Trade Trust Company have bought the products of private industries to the value of 186 billion yuan during April and May.

Value of production in publicly operated enterprises has shown a gain of 65 percent during the first 5 months of the year. Cooperatives above the ch'u level have increased from 831 to over 1,000 and those directly organized by the peasants below the ch'u level have increased from 8,095 to 11,780 thus far this year.

In his report to the committee, the chairman urged the necessity of production in accordance with the market and the avoidance, especially on the part of private industry, of urplanned production. He admitted that many of the working cadres are still imbued with the poison of feudalistic ideas and urged their speedy re-education in order to enable them to follow democratic practices among the people and thus increase the cordiality of relations between the government and the people.

REPORT GOODS OF INFERIOR QUALITY --- Hong Kong Hsing-tao Jih-pao, 28 Jul 50

Hong Kong, 27 July (AP) -- Reports culled from Communist newspapers over period of time indicate that through lack of ability among industrial executiver and carelessness on the part of workers much of the production of factories in Communist China is defective and results in great waste.

Instances cited are as follows:

- 1. North China electrical power plants were able to produce only to 28.4 percent of capacity; consequently, many industries dependent on them for power are in great difficulties.
- 2. Last year in 31 publicly operated industrial plants in Tsitsihar in the Northeast 27,400,000,000 Northeast yuan worth of labor and materials were wasted through inefficient management.

- 2 -

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- 3. Bicycles manufactured throughout the country are very inferior in durability.
- 4. Six thousand tons of cement manufactured in the state-operated cement works in Tsinan, Shantung, were below standard and had to be returned.
- 5. The steel strips produced by the Anshan steel works show a wide variation in thickness.
- 6. Trackless trolleys manufactured by the Northwest Highway Bureau proved useless, resulting in great waste of treasury funds.
- 7. Over 6,800 cases of explosions and sabotage have occurred during the past year in the Northeast, North China, East China, and Central-South China.
- 8. Great quantities of tools and machinery manufactured in Port Arthur and Dairen have proved unusable and have been returned.

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